

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

1

QUARTERLY FINANCIAL REPORTING FORM

Submitted on 2/14/2003 10:53:00 AM

		1
1.	FOR THE QUARTER ENDING:	December 31, 2002
2.	Name:	Aetna Dental of California Inc.
3.	File Number:(Enter last three digits) 933-0	313
4.	Date Incorporated or Organized:	July 24, 1995
5.	Date Licensed as a HCSP:	September 30, 1993
6.	Date Federally Qualified as a HCSP:	N/A
7.	Date Commenced Operation:	September 30, 1993
8.	Mailing Address:	40 W. Cochran St., Suite 200, Simi Valley, CA 93065
9.	Address of Main Administrative Office:	40 W. Cochran St., Suite 200, Simi Valley, CA 93065
10.	Telephone Number:	(805) 955-2331
11.	HCSP's ID Number:	06-1160812
12.	Principal Location of Books and Records:	2409 Camino Ramon, San Ramon, CA 94583
13.	Plan Contact Person and Phone Number:	Julie A. Dashiell
14.	Financial Reporting Contact Person and Phone Number:	Julie A. Dashiell
15.	President:*	Bryan John Geremia
16.	Secretary:*	Mary Virginia Anderson, Assistant Secretary
17.	Chief Financial Officer:*	Julie Ann Dashiell, Principal Financial Officer
18.	Other Officers:*	See page 18 - Notes to Financial Statements for list of additional officers
19.		
20.		
21.		
22.	Directors:*	Scott Alan Schnuckle
23.		Alan Stuart Hischberg
24.		Ronald Edward Inge
25.		Bryan John Geremia
26.		Julie Ann Dashiell
27.		William Albert Slavin
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32. President	Bryan John Geremia
33. Secretary	Mary Virginia Anderson, Assistant Secretary
34. Chief Financial Officer	Julie Ann Dashiell, Principal Financial Officer
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35. Check if this is a revised filing:	<input type="checkbox"/>
36. If all dollar amounts are reported in thousands (000), check here	<input type="checkbox"/>

Check My Work.

**STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN**

QUARTERLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="▼"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="▼"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No <input type="button" value="▼"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="▼"/>
5.	Are there any significant changes reported on Schedule G, Section III?	Yes <input type="button" value="▼"/>
6.	If "yes", describe:	Plan began reporting Sch G, III with this report as FFS costs have grown over 25% of total dental expenses.

STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	11,850,248
2. Short-Term Investments	0
3. Premiums Receivable - Net	2,109,259
4. Interest Receivable	10,354
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	
7. Prepaid Expenses	120,611
8. Secured Affiliate Receivables - Current	
9. Unsecured Affiliate Receivables - Current	1,978,894
10. Aggregate Write-Ins for Current Assets	162,291
11. TOTAL CURRENT ASSETS (Items 1 to 10)	16,231,657
OTHER ASSETS:	
12. Restricted Assets	50,000
13. Long-Term Investments	
14. Intangible Assets and Goodwill - Net	
15. Secured Affiliate Receivables - Long-Term	
16. Unsecured Affiliate Receivables - Past Due	
17. Aggregate Write-Ins for Other Assets	0
18. TOTAL OTHER ASSETS (Items 12 to 17)	50,000
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	
20. Furniture and Equipment - Net	
21. Computer Equipment - Net	
22. Leasehold Improvements -Net	
23. Construction in Progress	
24. Software Development Costs	
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	0
27. TOTAL ASSETS	16,281,657
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Deferred Taxes	162,291
1002.	
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	162,291
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701.	
1702.	
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	63,339	XXX	63,339
2. Capitation Payable	316,574	XXX	316,574
3. Claims Payable (Reported)	718,656		718,656
4. Incurred But Not Reported Claims	2,678,253		2,678,253
5. POS Claims Payable (Reported)			0
6. POS Incurred But Not Reported Claims			0
7. Other Medical Liability	410,000		410,000
8. Unearned Premiums	70,491	XXX	70,491
9. Loans and Notes Payable		XXX	0
10. Amounts Due To Affiliates - Current	4,312,914	XXX	4,312,914
11. Aggregate Write-Ins for Current Liabilities	435,753	0	435,753
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	9,005,980	0	9,005,980
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)		XXX	0
14. Loans and Notes Payable (Subordinated)		XXX	0
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term		XXX	0
17. Aggregate Write-Ins for Other Liabilities	0	XXX	0
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	0	XXX	0
19. TOTAL LIABILITIES	9,005,980	0	9,005,980
NET WORTH			
20. Common Stock	XXX	XXX	500
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	2,209,500
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	5,065,677
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	7,275,677
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	16,281,657
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. Current Federal & State Tax Payable	335,753		335,753
1102. Claims Adj. Accrual	100,000		100,000
1103.			0
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	435,753	0	435,753
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701.		XXX	0
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0	XXX	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501.	XXX	XXX	
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	0

STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	13,210,072	42,212,920
2. Capitation		
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare		
5. Title XIX - Medicaid		
6. Fee-For-Service		
7. Point-Of-Service (POS)		
8. Interest	27,000	138,970
9. Risk Pool Revenue		
10. Aggregate Write-Ins for Other Revenues	0	0
11. TOTAL REVENUE (Items 1 to 10)	13,237,072	42,351,890
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated		
13. Inpatient Services - Per Diem		
14. Inpatient Services - Fee-For-Service/Case Rate		
15. Primary Professional Services - Capitated	4,435,479	14,641,174
16. Primary Professional Services - Non-Capitated	3,030,324	9,004,426
17. Other Medical Professional Services - Capitated		
18. Other Medical Professional Services - Non-Capitated		
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS		
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service		
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	0	0
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	7,465,803	23,645,600
Administration		
25. Compensation	243,719	568,918
26. Interest Expense		
27. Occupancy, Depreciation and Amortization	14,380	30,477
28. Management Fees		
29. Marketing	1,327,205	1,339,477
30. Affiliate Administration Services	934,419	3,165,969
31. Aggregate Write-Ins for Other Administration	-685,151	34,706
32. TOTAL ADMINISTRATION (Items 25 to 31)	1,834,572	5,139,547
33. TOTAL EXPENSES	9,300,375	28,785,147
34. INCOME (LOSS)	3,936,697	13,566,743
35. Extraordinary Item		
36. Provision for Taxes	1,317,552	4,688,068
37. NET INCOME (LOSS)	2,619,145	8,878,675
NET WORTH:		
38. Net Worth Beginning of Period	6,656,532	4,397,002
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	2,619,145	8,878,675
46. Dividends to Stockholders	-2,000,000	-6,000,000
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	7,275,677	7,275,677

STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001.		
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301.		
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101. Bad Debt Expense	-765,581	-78,442
3102. Other Administrative Expenses	80,430	113,148
3103.		
3104.		
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	-685,151	34,706
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS (Direct Method)

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation		
2. Fee-For-Service		
3. Title XVIII - Medicare Premiums		
4. Title XIX - Medicaid Premiums		
5. Investment and Other Revenues		
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses		
8. Administration Expenses		
9. Federal Income Taxes Paid		
10. Interest Paid		
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	0	0
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets		
13. Proceeds from Investments		
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets		
16. Payments for Investments		
17. Payments for Property, Plant and Equipment		
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	0	0
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates		
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	0	0
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER		
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	0	0
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	2,619,145	8,878,675
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization		
32. Decrease (Increase) in Receivables		
33. Decrease (Increase) in Prepaid Expenses		
34. Decrease (Increase) in Affiliate Receivables		
35. Increase (Decrease) in Accounts Payable		
36. Increase (Decrease) in Claims Payable and Shared Risk Pool		
37. Increase (Decrease) in Unearned Premium		
38. Aggregate Write-Ins for Adjustments to Net Income	0	0
39. TOTAL ADJUSTMENTS (Items 31 through 38)	0	0
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	2,619,145	8,878,675
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801.		
3802.		
3803.		
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

	1	2
	Current Period	Year-to-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
1. Net Income (Loss)	2,619,145	8,878,675
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
2. Depreciation and Amortization		
3. Unrealized Gains/Losses on Equity Securities		
4. Gain/Loss on Sale of Assets		
5. Deferred Income Taxes	234,257	-24,824
CHANGE IN OPERATING ASSETS AND LIABILITIES		
(Increase) Decrease in Operating Assets:		
6. Receivables	-1,690,153	-887,687
7. Prepaid Expenses	16,950	13,023
8. Affiliate Receivables	831,586	-1,942,546
9. Aggregate write-ins for (increase) decrease in operating assets	0	0
Increase (Decrease) in Operating Liabilities:		
10. Trade Accounts Payable	24,591	-5,710
11. Capitation Payable	134,580	197,226
12. Claims Payable and IBNR	655,720	2,074,489
13. Other Medical Liability	30,000	196,408
14. Unearned Premiums	14,605	53,803
15. Affiliate Payables	3,135,211	3,488,636
16. Aggregate write-ins for increase (decrease) in operating liabilities	-541,186	-1,056,817
17. NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	5,465,306	10,984,676
CASH FLOW FROM INVESTING ACTIVITIES		
18. Proceeds from Restricted Cash and Other Assets		
19. Proceeds from Investments		
20. Proceeds for Sales of Property, Plant, and Equipment		
21. Payments for Restricted Cash and Other Assets		
22. Payments for Investments		
23. Payments for Property, Plant, and Equipment		
24. Aggregate write-ins for cash flow provided by investing activities	0	0
25. NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	0	0
CASH FLOW FROM FINANCING ACTIVITIES		
26. Proceeds from Paid-in-Capital or Issuance of Stock		
27. Loan Proceeds from Non-Affiliates		
28. Loan Proceeds from Affiliates		
29. Principal Payments on Loans from Non-Affiliates		
30. Principal Payments on Loans from Affiliates		
31. Dividends Paid	-2,000,000	-6,000,000
32. Principal Payments under lease obligations		
33. Aggregate write-ins for cash flow provided by financing activities	0	0
34. NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	-2,000,000	-6,000,000
35. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,465,306	4,984,676
36. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	8,384,942	6,865,572
37. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	11,850,248	11,850,248

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 9 FOR (INCREASE) DECREASE IN OPERATING ASSETS		
901.		
902.		
903.		
998. Summary of remaining write-ins for Item 9 from overflow page		
999. TOTALS (Items 901 thru 903 plus 998)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR INCREASE (DECREASE) IN OPERATING LIABILITIES		
1601. Income Tax Payable	-641,186	-1,156,817
1602. Claims Loss Adj. Expense	100,000	100,000
1603.		
1698. Summary of remaining write-ins for Item 16 from overflow page		
1699. TOTALS (Items 1601 thru 1603 plus 1698)	-541,186	-1,056,817
DETAILS OF WRITE-INS AGGREGATED AT ITEM 24 FOR CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Item 24 from overflow page		
2499. TOTALS (Items 2401 thru 2403 plus 2498)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 33 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
3301.		
3302.		
3303.		
3398. Summary of remaining write-ins for Item 33 from overflow page		
3399. TOTALS (Items 3301 thru 3303 plus 3398)	0	0

REPORT #4: ENROLLMENT AND UTILIZATION TABLE

TOTAL ENROLLMENT

[illegible]

SCHEDULE A-1 (CASH)

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. NOT REQUIRED ON QUARTER		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9. Total Cash on Deposit		0
10. Cash on Hand (Petty Cash)		
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		0

SCHEDULE A-2 RESTRICTED ASSETS

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. NOT REQUIRED ON QUARTER		
13.		
14.		
15.		
16.		
17.		
18.		
19. Total Restricted Assets		0

* Indicate the Balance Per the HMO's Records

STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable

1 Name of Debtor		2 31-60 Days	3 61-90 Days	4 Over 90 Days	5 Total
1.	NOT REQUIRED ON QUARTER				0
2.					0
3.					0
4.					0
5.					0
6.					0
7.					0
8.					0
9.					0
10.					0
11.					0
12.					0
13.					0
14.					0
15.					0
16.					0
17.					0
18.					0
19.					0
20.					0
21.					0
22.					0
23.					0
24.					0
25.					0
26.					0
27.					0
28.					0
29.					0
30.					0
31.					0
32.					0
33.					0
34.					0
35.					0
36.					0
37.					0
38.					0
39.					0
40.					0
41.					0
42.					0
43.					0
44.					0
45.					0
46.					0
47.					0
48.					0
49.					0
50.					0
51.					0
52.					0
53.					0
54.					0
55.	Total - Individual Listed Receivables	0	0	0	0

STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

SCHEDULE D
HEALTH CARE RECEIVABLES &
AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES

Individually list all debtors with account balances greater than 10% of gross Receivables

1	2	3	4	5
Name of Debtor	31-60 Days	61-90 Days	Over 90 Days	Total
1. No amounts in excess of 10% of gross receivables greater than 30 days				0
2.				0
3.				0
4.				0
5.				0
6.				0
7.				0
8.				0
9.				0
10.				0
11.				0
12.				0
13.				0
14.				0
15.				0
16.				0
17.				0
18.				0
19.				0
20.				0
21.				0
22.				0
23.				0
24.				0
25.				0
26.				0
27.				0
28.				0
29.				0
30.				0
31.				0
32.				0
33.				0
34.				0
35.				0
36.				0
37.				0
38.				0
39.				0
40.				0
41.				0
42.				0
43.				0
44.				0
45.				0
46.				0
47.				0
48.				0
49.				0
50.				0
51.				0
52.				0
53.				0
54.				0
55. Total - Individual Listed Receivables	0	0	0	0

STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter on the line titled, "Aggregate Accounts Not Individually Listed-Due." Report accounts payable from the initial date of billing or due date under contract.

1 Name of Debtor		2 31-60 Days	3 61-90 Days	4 91-120 Days	5 Over 120 Days	6 Total
1.	NOT REQUIRED ON QUARTER					0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.	Total - Individual Listed Payables	0	0	0	0	0

SCHEDULE G - UNPAID CLAIMS ANALYSIS
SECTION I - CLAIMS UNPAID

Type of Claim	1 Reported Claims in Process of Adjustment	2 Estimated Incurred but Unreported	3 Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims			0
2. Physician Claims			0
3. Referral Claims			0
4. Other Medical	718,656	2,678,253	3,396,909
5. TOTAL	718,656	2,678,253	3,396,909

SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year		6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year		
6. Inpatient Claims	ANNUAL ONLY				0	
7. Physician Claims					0	
8. Referral Claims					0	
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED*

1 Month Ending	2 Beginning Balance Number of Claims in inventory on the 1st of each month	3 Add - Claims Received during the month	4 Deduct - Claims paid during the month	5 Deduct - Claims denied during the month	6 Add/Deduct - Adjustments	7 Ending Balance Number of claims in inventory at the end of the month
11. January	4,290	16,043	14,366	1,515		4,452
13. February	4,452	15,417	13,687	900		5,282
14. March	5,282	14,871	12,523	1,145		6,485
15. April	6,485	16,877	13,748	1,502		8,112
16. May	8,112	21,337	19,586	2,231		7,632
17. June	7,632	17,238	16,150	2,838		5,882
18. July	5,882	21,408	21,010	2,324		3,956
19. August	3,956	17,010	15,399	2,185		3,382
20. September	3,382	15,098	14,750	1,359		2,371
21. October	2,371	20,720	19,416	1,616		2,059
22. November	2,059	16,280	14,135	1,411		2,793
23. December	2,793	15,783	13,012	2,941		2,623

* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

SCHEDULE H - AGING OF ALL CLAIMS

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

	1	2	3	4	5	6
1.	Month Ending	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
2.	January	3,249	517	686		4,452
3.	February	4,074	519	688		5,281
4.	March	5,091	600	794		6,485
5.	April	6,536	678	898		8,112
6.	May	6,533	473	626		7,632
7.	June	5,446	187	247		5,880
8.	July	3,664	126	166		3,956
9.	August	3,258	53	71		3,382
10.	September	2,098	117	156		2,371
11.	October	1,949	47	63		2,059
12.	November	2,605	81	107		2,793
13.	December	2,408	92	123		2,623

STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Liability (Based on plan's lag table)
1. Current		XXX	0	
2. SEE ATTACHED ACTUARIAL CERTIFICATION			0	
3. Previous			0	
4. Previous			0	
5. Previous			0	
6. Previous			0	
7. Previous			0	
8. Previous			0	

* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

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NOTES TO FINANCIAL STATEMENTS	
1.	Other Officers of the Corporation (Continued from Page 1)
2.	
3.	Lee Durham Aurich, Chief Financial Officer
4.	Russell Page Smith, Vice President and Treasurer
5.	Gregory Stephen Martino, Vice President and Secretary
6.	Ronald Edward Inge, DDS, Vice President - Operations
7.	Alan Stuart Hirschberg, Vice President
8.	Blake Walker Martin, Vice President
9.	Scott Alan Schnuckle, Vice President
10.	William Albert Slavin, DDS, Vice President
11.	James David Weiss, Controller and Assistant Secretary
12.	Hazel Mary Ashworth, Assistant Treasurer
13.	Elaine Rose Cofrancesco, Assistant Treasurer
14.	Inda Chow, Assistant Secretary
15.	Sanford Delaney Howie, Assistant Secretary
16.	Lawrence Grant Orkins, Jr., Assistant Secretary
17.	William Ira Kramer, Assistant Secretary
18.	Catherine Bouffides Walsh, Assistant Secretary
19.	Jerry John Bellizzi, Assistant Secretary
20.	Kevin James Casey, Senior Investment Officer
21.	
22.	
23.	
24.	
25.	Financial Statement Footnotes - see attached Word document file (Notes-122002.doc)
26.	
27.	Actuarial Certificate - signed copy to be mailed and see attached Word document file
28.	(ADC Actuarial Opinion-122002.doc)
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OVERFLOW PAGE FOR WRITE-INS	
1.	NONE
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STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68

	1	2	3	4	5
A. Explanation of the method of calculating the provision for incurred and unreported claims:					
1. An incurred liability for dental services is established based on the actual utilization of services and a historical study of payment patterns.					
B. Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:					
	<u>Name of Debtor</u>	<u>Nature of Relationship</u>	<u>Nature of Receivable</u>	<u>Amount</u>	<u>Terms</u>
2. Aetna	Affiliate	Inter-company Operating	1,971,072	Various	
3. AET Health Care Plan of CA	Affiliate	Inter-company Operating	7,822	Various	
4.					
5.					
6.					
C. Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:					
	<u>Donor's Name</u>	<u>Affiliation with Reporting Entity</u>	<u>Valuation Method</u>	<u>Amount</u>	
7. NONE					
8.					
9.					
10.					
11.					
D. Forgiven debt or obligations, as detailed below:					
	<u>Creditor's Name</u>	<u>Affiliation with Reporting Entity</u>	<u>Summary of How Obligation Arose</u>	<u>Amount</u>	
12. NONE					
13.					
14.					
15.					
E. Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:					
16. Net Equity			\$	7,275,677	
17. Add: Subordinated Debt			\$		
18. Less: Receivables from officers, directors, and affiliates			\$		
19. Intangibles			\$		
20. Tangible Net Equity (TNE)			\$	7,275,677	
21. Required Tangible Net Equity (See Page 22)			\$	660,177	
22. TNE Excess (Deficiency)			\$	6,615,500	
F. Percentage of administrative costs to revenue obtained from subscribers and enrollees:					
23. Revenue from subscribers and enrollees			\$	42,212,920	
24. Administrative Costs			\$	5,139,547	
25. Percentage				12	
26. The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	254,841	
27. Total costs for health care services for the immediately preceding six months:			\$	13,796,041	
28. Percentage				2	

G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:		1
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	N/A
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	N/A
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	N/A
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	N/A
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	0
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	0
36. Cash & cash equivalents reported to be maintained (120% x Line 35)	\$	0
37. Deposit required (100% of Line 36)	\$	0
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	0
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	N/A
40. Total premium revenue earned	\$	0
41. Percentage		#VALUE!
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	N/A
43. Total health care expenditures	\$	0
44. Percentage		#VALUE!
45. Point-of-Service Enrollment at end of period		N/A
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		0
47. Non-Physician		0
48. Total		0
49. Total Patient Days Incurred for Point-of-Service enrollees		N/A
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		N/A
51. Average Length of Stay for Point of Service enrollees		N/A
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	N/A
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	N/A
55. Total	\$	0
56. Total times 120%	\$	0
57. Deposit (Greater of Line 56 or minimum of \$200,000)	\$	N/A

STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:

TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

Full Service Plans		Specialized Plans	
	1		2
A. Minimum TNE Requirement	\$ 1,000,000	Minimum TNE Requirement	\$ 50,000
B. REVENUES:			
1. 2% of the first \$150 million of annualized premium revenues	\$ N/A	2% of the first \$7.5 million of annualized premium revenue	\$ 150,000
Plus		Plus	
2. 1% of annualized premium revenues in excess of \$150 million	\$ N/A	1% of annualized premium revenue in excess of \$7.5 million	\$ 347,129
3. Total	\$ 0	Total	\$ 497,129
C. HEALTHCARE EXPENDITURES:			
4. 8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 0	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 600,000
Plus		Plus	
5. 4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$ 0	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$ 60,177
Plus		Plus	
6. 4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 0	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 0
7. Total	\$ 0	Total	\$ 660,177
8. Required "TNE" - Greater of "A" "B" or "C"	\$ N/A	Required "TNE" - Greater of "A" "B" or "C"	\$ 660,177

**KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64**

POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1	
1. Net Equity	\$	7,275,677
2. Add: Subordinated Debt	\$	0
3. Less: Receivables from officers, directors, and affiliates	\$	0
4. Intangibles	\$	0
5. Tangible Net Equity (TNE)	\$	7,275,677
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	0
7. TNE Excess (Deficiency)	\$	7,275,677
ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION (Complete Section I or II):		
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	N/A
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	N/A
10. Add lines 8 and 9	\$	0
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):		
<u>PART A</u>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	N/A
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	N/A
13. Add lines 11 and 12	\$	0
III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING		
14. Multiply Line 5 (above) by 130%	\$	9,458,380
15. Multiply Line 6 (above) by 130%	\$	0
16. Difference (Line 14 - Line 15)	\$	9,458,380
If Line 14 is less than Line 15, then monthly reporting is required		

STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ 0	\$ 0
Less:		
2. Capitated or managed hospital payment basis expenditures	0	0
3. Health care expenditures for out-of-network services for point-of-service enrollees	0	0
4. Result	0	0
5. Annualized	N/A	N/A
6. Reduce to maximum of \$150 million		
7. Multiply by 8%	\$ 0	\$ 0
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ 0	\$ 0
9. Less \$150 million	0	0
10. Multiply by 4%	\$ 0	\$ 0
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ 0	\$ 0
12. Multiply by 4%	\$ 0	\$ 0
13. Total	\$ 0	\$ 0

STATEMENT AS OF 12-31-2002 OF 933-0313 Aetna Dental of California Inc.

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